

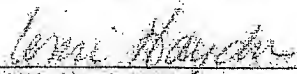


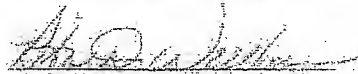
GOVERNMENT AND INFRASTRUCTURE
LOGCAP III HQ - PROCUREMENT
CAMP VICTORY - IRAQ - UNIT #43382
APO AE 09344

To: All KBR Subcontractors
RE: Labor Practices and Temporary Labor Camps
Date: 01 December 2008

1. KBR would like to re-emphasize G&I Subcontract General Conditions - (Services performed outside of the U.S.) Rev.004, 8/28/08, Provision 27, Labor Practices, and KBR LOGCAP III Scope of Work for Temporary Labor Camps, Revision September 8, 2006, which have been incorporated into all subcontracts. Both documents levy specific requirements as to the treatment of personnel and the conditions of temporary labor camps, whether owned by you, the subcontractor, or your agent.
2. Recently, it has come to our attention that some KBR subcontractors and/or their agents may be utilizing temporary labor camps located around the Baghdad International Airport known as SATCO Hotel, Elite Camp, and First Kuwaiti Camp. An inspection conducted November 20, 2008 by KBR's Health/Safety/Environment (HSE), Security and Trafficking In Persons (TIPs) teams, revealed serious and deplorable conditions in the immediate area outside the SATCO Hotel and inside the Elite Camp and 1st Kuwaiti Camp. The conditions at these facilities could have a direct impact on the health and welfare of not only the personnel forced to stay there, but ultimately our client as well. None of the aforementioned facilities comply with the KBR LOGCAP III Scope of Work for Temporary Labor Camps and their utilization by KBR subcontractors or their agents will not be tolerated under any circumstances.
3. Until the facilities identified above are remediated to acceptable standards, all KBR subcontractors are hereby directed to discontinue utilizing these facilities for the purposes of mobilization, demobilization or routine transiting of personnel in support of any KBR subcontract effective immediately. This includes personnel entering or exiting theater through arrangements by an agent or any subcontractor at a lower tier. All personnel under your purview or that of your agent must be moved to an acceptable temporary labor camp immediately.
4. Further, KBR has the right and responsibility to inspect all temporary labor camps utilized in support of our prime contract. We therefore direct all subcontractors to supply a comprehensive list of temporary labor camps, to include those utilized by agents or lower tiered subcontractors, and their location as of this date. The list must be provided no later than close of business 02 December 2008.

Should you have any questions concerning this directive, please contact the undersigned.


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